

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 ACDA-05 SAJ-01 TRSE-00

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SS-15 USIA-06 OMB-01 /086 W
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FM USMISSION USBERLIN

TO SECSTATE WASHDC 2057

INFO AMEMBASSY BERLIN UNN

AMEMBASSY BONN

AMEMBSSY LONDON

AMEMBSSY MOSCOW

AMEMBASSY PARIS

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C O N F I D E N T I A L SECTION 1 OF 2 USBERLIN 0420

E.O.11652: GDS

TAGS: EAIR, PFOR, GW, WB, US, UK, FR, UR

SUBJECT:CIVAIR: IGS FARE INCREASE: COMMENTS

REFS: (A) STATE 44625, (B) 75 USBERLIN 2326

(C) BONN 3468, (D) USBERLIN 0419

1. SUMMARY: MISSION AGREES 11 PERCENT FARE INCREASE
WIL CALL FOR SERIES OF TRIPARTITE ACTIONS TO COUNTERACT
ANTICIPATED NEGATIVE GERMAN REACTION TO HIGHER FARES.
SEPT-01 CONTAINS OUR PROPOSED TALKING POINTS FOR USE IN
POLITICAL APPROACHES TO GERMAN OFFICIALS. ALTHOUGH
GERMANS MAY REMAIN UNHAPPY WITH LACK OF PROGRESS IN
EXPANDING AIR SERVICES TO BERLIN, WE REMAIN SKEPTICAL
THAT REVIVAL OF THE " LUFTKREUZ" CONCEPT, IN TERMS OF
A LUFTHANSA STOP AT TEGEL, WILL ACHIEVE OUR OBJECTIVE
OF OVERCOMING GERMAN UNHAPPINESS, HOWEVER, A DETERMINED
HIGH LEVEL USG POLITICAL EFFORT MAY JUST OVERCOME UK
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RELUCTANCE TO ENLARGE LIST OF CANDIDATES FOR LANDING

RIGHTS IN WEST BERLIN. WE ALSO DOUBT THAT IGS SCHEDULING REMAINS A SUBSTANTIAL PROBLEM IN VIEW OF DISAPPEARANCE OF THIS ISSUE FROM PRESS AND SATISFACTIN EXPRESSED BY SENAT OFFICIALS WITH PAN AM-BA MECHANISM FOR EXTRA SECTIONS AT PEAK PERIODS. REGARDING PUBLIC RELATIONS EFFORTS WE CAN CONCEIVE OF SEVERAL IMAGINATIVE PR GIMMICKS, BUT WE BELIEVE A SUCCESSFUL PUBLIC RELATIONS CAMPAGIN MUST BE BASED ON ACTIONS WHICH CREATE CONFIDENCE IN AIRLINES, SUCH AS IMPROVED SERVICES. PUBLIC RELATIONS EFFORT MIGHT BE STREGTHENED BY EXPOSING KEY OPINION LEADERS TO INTERSTICES OF VERY ADVANCED AIR TRAFFIC CONTROL SYSTEM SERVING BERLIN. END SUMMARY:

2. MISSION WELCOMES THE WASHINGTON DECISION TO APPROVE AN 11 PERCENT FARE INCREASE FOR IGS. WE BELIEVE THIS INCREASE WILL GIVE A SUBSTANTIAL BOOST TO CARRIERS' REVENUES AND MAY FORESTALL DRASTIC ECONOMY MEASURES ON THEPARTO F PAN AM WHICH COULD LEAD TO GENUINE LABOR RELATIOS DIFFICULTIES AS WELL AS TO THE FURTHER TARNISHINGS OF PAN AM'S PUBLIC IMAGE.

3. ACCORDINGLY MISSON HAS PREPARED TALKING POINTS FOR POLITICAL APPROACHES TO FRG AND BERLIN OFFICIALS AS PROPSD PAR 5 REF A. THESE POINTS, TRANSMITTED SPEEL, ARE BEING PUT TO ALLIES HERE. AS REGARDS THE SECONDSPHERE OF ALLIED EFFORT, IMPROVEMENTS IN AIR CONNECTIONS TO BERLIN, WE REALIZE THERE IS SOME GERMAN UNHAPPINESS WITH THE CONTRACTION IN IGS SERVICES BECAUSE OF REDUCED PASSENGER VOLUME BUT WE DOUBT MUCH CAN BE DONE IN THIS AREA OR IS EVEN EXPECTED BY GERMANS.

4. ON FEB 18 FEDERAL AFFAIRS SENATOR STOBBE DESCRIBED " LUFTKREUZ" IDEA AS UNREALISTIC(FIRST TIME IN OUR MEMORY THAT A BERLIN LEADER HAS GONE SO FAR). WE SHARE STOBBE'S SKEPTICISM PARTICUALRLY AS REGARDS LUFTHANSA STOP AT TEGEL. BEFORE WE PROCEED WITH A RENEWED APPROACH TO SOVIETS ON THIS ISSUE, WE THINK WE MUST BE CLEAR IN OUR OWN MINDS WHAT WE EXPECT TO ACHIEVE. WE SUSPECT THAT IF THEAPPROACH WER MADEIN THESAM CONFIDENTIAL

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ISOLATED FASHION AS IN 1974, SOVIETS ARE LIKELY TO REJECT IT AGAIN. THERFORE, IT WOULD APPERA THAT THE ISSUE WOULD HAVE TO BE TIED INTO SOME LARGER OVERALL US-SOVIET PACKAGE WITH ALL THE PROBLEMS THAT WOULD ENTAIL. A NEW SOVIET TURNDOWN OR CALL FOR WIDER TALKS ON BERLIN'S AIR SERVICES WOULD ONLY REMIND GERMAS THAT WE HAD MADE NO PROGRESS OVER A NUMBER OF YEARS.

5. ON THE OTHER HAND WE MIGHT JUST ACHIEVE SOME MOVEMENT IN EXPANDING THE LIST OF NON-THREE POWER CARRIERS ELIGIBLE TO LAND IN BERLIN IF THE USG WERE WILLING TO MAKE HIGH LEVEL POLITICAL EFFORT TO OVERCOME BRITISH COMMERCIALLY INSPIRED FEAR THAT ADDITIONAL LANDING RIGHTS MIGHT SOMEHOW, SOMEDAY DEPRIVE BRITISH CARRIERS OF BERLIN TRAFFIC.

6. SCHEDULING OF IGS FLIGHTS WAS AGAIN REVIEWED AT LENGTH WITH PAN AM BY MISSION ON FEB 27 (MEMCON BEING POUCHED). PAN AM STATION MANAGER GALLAGHER REJECTED ANY NOTION OF ADDING ADDITIONAL FLIGHTS TO EXISTING WINTER TIMETABLE, DESPITE HIS EXPECTATION OF TRAFFIC INCREASE IN FEBRUARY OF OVER TEN PERCENT COMPARED TO LAST YEAR. GALLAGHER REITERATED PAN AM'S CONVICTION, WHICH WE ARE INCLINED TO SHARE (REF B), THAT PAN AM'S CUSTOMER-SENSITIVE MECHANISM FOR ADDING EXTRA SECTIONS AT PEAK PERIODS WAS ADEQUATELY MEETING CURRENT NEEDS. GALLAGHER ADDED THAT THE ELEMENTS OF THE SENATE WHO HAD MADE CAREFUL REVIEW OF THIS MECHANISM (SENATE DIRECTOR DIEDRICH AND FORMER SENATOR LIEHR) WERE LIKEWISE SATISFIED. NEVERTHELESS, THERE IS SO MUCH MISUNDERSTANDING OF SCHEDULING SITUATION WE BELIEVE DEPARTMENT'S SUGGESTION FOR BCATAG REVIEW OF ISSUES WOULD BE USEFUL, PROVIDED IT DOES NOT LEAD TO ANOTHER ROUND OF FLAGELLATION IN PRESS. PAN AM AND BA REPS MIGHT BE INVITED TO EXPLAIN THEIR OPERATIONS IN BCATAG FORUM. IN ADDITION IT MIGHT BE USEFUL FOR SIMILAR EXPLANATION TO BE MADE TO MEMBERS OF BERLIN HOUSE OF REPRESENTATIVES INVOLVED IN TRANSPORT MATTERS (THAT IS, MEMBERS OF COMMITTEE FOR TRANSPORT AND PUBLIC ENTERPRISES).

7. WITH REGARD TO EMBASSY PROPOSALS (REF C), WE
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SHAE EMBASSY VIEW THAT IT DESIRABLE TO MOVE AHEAD SIMULTANEOUSLY WITH BCATAG PRESENTATION, LEST GERMAN FOOTDRAGGING DELAY FARE INCREASE FOR MONTHS. BELIEVE IT IMPORTANT, AS EMBASSY PROPOSES, THAT SUBSIDY PRESENTATION BE FOLDED INTO OVERALL DISCUSSION OF FARE INCREASE AS OUTLINED PARA 4 REF C, BUT IN VIEW OF GREAT PREFERENCE WE SHARE FOR SUBSIDY VICE FARE INCREASE, IT IS IN OUR INTERESTS TO PUT SOME PRESSURE ON GERMANS TO ADDRESS THIS ISSUE PROMPTLY. WE INCLINED TO THINK GERMANS WOULD PREFER ADDRESS ISSUE SOONER RATHER THAN LATER, THAT IS, BEFORE NATIONWIDE ELECTION CAMPAIGN BEGINS IN EARNEST.

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8. IN ADDITION TO PROPOSALS MENTIONED BY
DEPARTMENT WE SUGGEST EFFORT IN WASHINGTON TO EXPEDITE
OPENING OF AEROAMERICA'S SAARBRUECKEN SERVICE WOULD
BE HELPFUL.

9. WE SHARE DEPARTMENT'S IMPRESSION THAT PAN AM AND
BA SUFFER FROM A POOR PUBLIC IMAGE IN BERLIN. THIS
IMPRESSION ORIGINATES WITH THE ARTICULATE SEGMENT OF
BERLIN'S POPULATION AND IS THE RESULT OF WHAT SENAT
PRESS SPOKESMAN STRUVE HAS CALLED A VICIOUS CIRCLE OF
POLITICAL AND JOURNALISTIC COMPLAINING. STRUVE HAS
NOTED THAT A FEW BERLIN POLITICIANS WILL SAY SOMETHING
IS BAD, PRESS WILL REPORT THIS, THEN POLITICIANS WILL
CITE PRESS TO SHOW SITUATION GETTING WORSE, ETC.

10. CONSEQUENTLY WE THINK THE FOCUS OF A PUBLIC
RELATIONS EFFORT WOULD HAVE TO BE ON OPINION LEADERS
RATHER THAN ON A BROAD ATTEMPT TO SELL PAN AM AND BA TO
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BERLIN POPULATION. WE HAVE IN MIND A SERIES OF EVENTS WHICH WOULD EXPOSE KEY OPINION MOLDERS TO INTERSTICES OF BERLIN AIR OPERATION. FOR EXAMPLE, NEW BERLIN AIR ROUTE TRAFFIC CONTROL CENTER (BARTCC) OFFERS EXCELLENT EXAMPLE OF HIGH QUALITY ALLIED SERVICE TO BERLIN AVIATION. BARTCC IS TRIPARTITE IN ITS STAFFING, ITS EQUIPMENT IS THE MOST MODERN IN WORLD AND SUBSTANTIAL AMOUNTS OF THAT EQUIPMENT IN A FIGURE OVER TEN MILLION DOLLARS HAVE BEEN FUNDED BY THE USG. SIMILARLY THE TOWER FACILITIES, INSTRUMENT LANDING SYSTEMS, AND RUNWAY OPERATION AT TEGEL AIRPORT REPRESENT IMPORTANT FRENCH BUDGETARY AND PERSONNEL CONTRIBUTIONS TO BERLIN AVIATION. VISITS TO BOTH THESE SITES FOR LEADING BERLIN OFFICIALS AND PRESS REPRESENTATIVES WOULD BE CONCRETE EVIDENCE OF CONTINUING ALLIED ATTEMPTS TO IMPROVE QUALITY OF BERLIN'S AIR SERVICE.

11. WE COULD ALSO SUPPLEMENT PUBLIC RELATIONS EFFORT WITH FEATURE STORIES ON PAN AM ACTIVITIES, SUCH AS ITS RECENT DECISION TO ENLARGE ITS MAINTENANCE BASE IN BERLIN. (AS RESULT OF ITS CONCENTRATION OF ITS 727 FLEET IN GERMANY, MIAMI MAINTENANCE BASE HAS BEEN CLOSED AND 120 NEW JOBS IN GERMANY, 90 IN FRANKFURT AND 30 IN BERLIN, HAVE BEEN CREATED.) THIS EVENT MIGHT BE MADE A HIGHLIGHT OF A TOUR FOR BERLIN POLITICIANS AT PAN AM OPERATIONS BASE AT TEGEL. IN ADDITION PAN AM IN CONTEMPLATING A 30TH ANNIVERSARY CELEBRATION THIS YEAR. THERE ARE OTHER HALLMARKS IN BERLIN AVIATION HISTORY WHICH MIGHT SIMILARLY BE USED TO PLAY UP HUMAN INTEREST IN PAN AM. FOR EXAMPLE, SEVERAL PAN AM PILOTS HAVE SETTLED IN BERLIN THAT IS THEY HAVE BECOME BERLINER BY CHOICE (WAHLBERLINER), AN IMPORTANT PSYCHOLOGICAL FEATURE IN THIS ISOLATED CITY. A CEREMONY FOR THOSE PILOTS WHO HAVE LIVED HERE FOR TEN YEARS MIGHT BE APPROPRIATE.

12. GALLAGHER HAS TOLD US THAT PAN AM/BERLIN WOULD WHOLE-HEARTEDLY SUPPORT A PUBLIC RELATIONS CAMPAIGN TO PROMOTE A BETTER IMAGE OF THE BERLIN AVIATION COMMUNITY. BELIVE SUCH HUMAN INTEREST STORIES, AS WELL AS BACKGROUND ON AIR SAFETY FACILITIES, COULD BE CONFIDENTIAL

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PUT TOGETHER BUT SUCCESSFUL CAMPAIGN MUST BE BASED ON CONFIDENCE-CREATING ACTIONS BY AIRLINES THEMSELVES. HOWEVER, SERIOUS PAN AM INTENTIONS TO CONTINUE LAYING OFF LONG TIME EMPLOYEES, IF REALIZED, COULD JEOPARDIZE

THIS EFFORT. (THIS POINT ELABORATED SEPTTEL.)

13. COMMENT: HAVING SAID THE ABOVE, WE WOULD LIKE TO ADD SOME PERSPECTIVE TO THE PICTURE. BERLINERS ARE SPOILED. FOR YEARS THE NEED FOR THEM TO RELY ON AIR TRANSPORTATION PERMITTED SHUTTLE SERVICE AT VERY LOW COST TO MOST KEY FRG CITIES. TAXI SERVICE TO TEMPELHOF, IN THE CENTER OF THE CITY, WAS EXCELLENT. PEOPLE WHO TRAVELED FREQUENTLY, THE ARTICULATE ELEMENT OF THE POPULATION, USED IGS AS LONDONERS WOULD THE RAILROAD COMMUTER SERVICE. WITH THE ADVENT OF VIRTUALLY UN-HINDERED ROAD AND RAIL TRAVEL, AND THE COST EXPLOSION FOR FUEL AND SALARIES, SOMETHING HAD TO GIVE. NEVERTHELESS, PAN AM IN PARTICULAR IS WELL-RUN WITH PLENTY OF GOOD EQUIPMENT. AEROAMERICA, FOR THAT MATTER, IS A GOOD COMER TO THE BERLIN SCENE. THUS, A PR EFFORT WOULD HELP AND SHOULD BE UNDERTAKEN, BUT WE NEED NOT APOLOGIZE TOO MUCH FOR WHAT CONTINUES TO BE A GOOD OPERATION IN BERLIN.

14. BONN'S COMMENTS ON OUR SUGGESTIONS ABOVE WOULD BE APPRECIATED.GEORGE

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Message Attributes

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